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Letter No. 2275

August 14, 1986

**FARMS DOWN
3 PCT.**

The number of farms in the U.S. in 1986 is estimated by the U.S. Department of Agriculture at 2 million 210 thousand, down 3 pct. from 1985. The land in farms declined just over 7 million acres from the previous year. The average size of farms increased from 446 acres last year to 455 acres in 1986.

**USSR GRAIN
PRODUCTION EST.
REDUCED**

Soviet grain production is estimated at 175 million tons, down 5 million tons from the July estimate. The estimate was lowered because of both area and yield reductions, according to the U.S. Department of Agriculture. Corn and spring barley yields were reduced this month as a result of dry weather in the Volga Valley, Ukraine, and Black Soils in southern and western Kazakhstan. The 1986 wheat forecast is 76 million metric tons, down from 83 million estimated for 1985. The coarse grain forecast for 1986 is 86 million metric tons, down from 94 million estimated for 1985.

**USSR GRAIN
IMPORTS
UNCERTAIN**

On Aug. 1, the U.S. Department of Agriculture announced that U.S. wheat would be made available to the Soviet at current world market prices in sufficient quantities to fulfill the terms of the U.S. - USSR Long Term Grain Agreement. The Soviets may buy up to 4 million tons of U.S. wheat by Sept. 30 under this offer. U.S. exporters will be given USDA generic certificates in sufficient quantity to make it possible for them to make U.S. prices competitive. Announcements of CCC bonus levels will be made each Friday after 3 p.m., taking into account world market conditions. Awards will be made for up to 4 million metric tons of wheat on a first-come, first-served basis.

**USSR GRAIN
BUYING MODEST**

Grain purchases by the USSR for delivery in the 1986/87 marketing year continue modest, according to the U.S. Department of Agriculture. So far, the purchases total only around 5 million tons, not much different from the pace set a year ago. Canada is about the only supplier that is believed to have made significant sales to the USSR. The USSR has apparently shown little interest in either old crop Argentine corn and sorghum or Southern Hemisphere new crop wheat. USSR grain imports for July-June 1986/87 are projected at 36 million tons, up 2 million tons from a month ago and the third largest ever. The estimate of wheat imports is at 19 million tons; of coarse grain, 16 million.

LARGE CORN
CROP
FORECAST

The first U.S. Department of Agriculture forecast of the 1986 corn for grain crop is set at 8 billion 320 million bushels, 6 pct. below last year's crop but the second largest crop of record. The U.S. average yield per acre is forecast at a record high 120.4 bushels per acre, up 2.4 bushels from the previous record high set last year. The yields per acre in some of the leading states are: Illinois, 142 bushels, up 7 bushels from last year; Indiana, 132 bushels per acre, up 9 bushels from last year; Iowa, 135 bushels, up 9 from last year; Minnesota, 122, up 7; Nebraska, 130, up 2; Ohio, 128, up 1; and Wisconsin, 114 bushels per acre, up 7 from last year.

WORLD WHEAT
PRODUCTION

The projected global output of wheat is slightly above last month, with increases in Canada and Turkey slightly exceeding declines in the European Community and Australia, according to the U.S. Department of Agriculture. The Canadian wheat crop, although developing late and vulnerable to early frost damage, is projected at a record level, reflecting a near-record yield and record area. Weather problems, however, may keep the EC crop below last year's level. Competition for global markets remains intense. In addition to competition among the major exporters, nontraditional exporters - India, Pakistan, and Saudi Arabia are expected to dispose of surpluses on the world market. Canada's ending stocks are expected to rise in view of limited markets for its larger crop.

ALL WHEAT
PRODUCTION
FORECAST

The total U.S. production of all types of wheat is forecast by the U.S. Department of Agriculture at 2 billion 160 million bushels, down 11 pct. from 1985. The winter wheat production is forecast at 1 billion 530 million bushels, 16 pct. less than last year and 1 pct. less than the July 1 forecast. The yields average 35.4 bushels per acre, 2.7 bushels below a year ago. This would be the lowest winter wheat yield since 1978. Durum wheat production is forecast at 102 million bushels, down 10 pct. from the 1985 production of 113 million bushels. Other spring wheat production for 1986 is forecast at 530 million bushels, the second highest production level of record and 9 pct. above last season's 485 million bushels.

SOYBEAN
FORECAST

The soybean production is forecast by the U.S. Department of Agriculture at 1 billion 98 million bushels, 6 pct. below last year but 5 pct. above 1984. The yield per acre is forecast at 32.9 bushels, but 4.8 bushels above the 1984 average yield. Soybean growing conditions have been mostly good in the Midwest with record high yields expected in Illinois, Iowa, Michigan, and N. Dakota. Drought conditions in the Southeast have caused farmers to abandon acres of soybeans and have reduced expected yields significantly from last year. August precipitation will be a critical factor in pod development, particularly in the South and Southeast.

GRAIN
STORAGE

On August 12, President Reagan announced that grain stored in approved storage facilities or on the ground would be eligible for price support loans. In addition, Sec'y of Agriculture Richard Lyng has previously announced the use of up to 1,000 excess barges as temporary storage facilities to store grain, and relaxed rules governing the movement of grain between locations.

FROM OUR
TELEVISION
SERVICE

U.S. WEATHER UPDATE...USDA chief meteorologist Dr. Norton Strommen offers the current weather and crop outlook, including an update on the drought situation in the Southeast and its affect on crops and livestock as well as crop development in the Corn Belt and mid-Western States. DeBoria Janifer interviews. (251)

LIVESTOCK AND POULTRY OUTLOOK...Cattle and hog breeding herds are now the lowest since the early 1960's, and large meat supplies are encountering weak demand. USDA economist Leland Southard examines the factors behind the current situation and outlook for livestock and poultry. Vic Powell interviews. (252)

CHINA OUTLOOK...China has changed its agricultural production system, and apparently intends to use its agricultural exports as a source of income. USDA economist Francis Tuan takes a look at how this situation will affect U.S. exports to this country. Vic Powell interviews. (253)

ELDERLY FITNESS...Dr. William Evans with USDA's Human Nutrition Research Service in Boston, talks about studies being conducted to examine the interaction between exercise and the aging process, and how older people respond to increased physical activity. Vic Powell interviews. (254)

AG RESOURCES - FARM MACHINERY...Purchases of new and used farm equipment are expected to decline to between \$4.8 and \$5.1 billion in 1986. USDA economist Herman Delvo focuses on factors contributing to that decline. DeBoria Janifer interviews. (255)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1524...(Weekly 13½ min documentary) Difficult friends; Conflicts with the EC. A group of countries, called the European Community, is raising havoc with U.S. farm exports. On this edition of Agriculture USA, Doug Wakefield and USDA foreign analyst Mary Revelt discuss the situation.

AGRITAPE/FARM PROGRAM REPORT #1513...(Weekly reel of news features)...USDA news highlights; Sheep referendum, Acreage limitations on feed grain programs; Cassava: new crop block; Farm population; New crop forecast.

CONSUMER TIME #1006...(Weekly reel of 2½-3 min features) Preventing poison ivy; A taste of wine; Older Americans and milk; Arsenic and your health; Parents; Feelings of incompetence.

USDA RADIO NEWS SERVICE...Tues, Aug. 19, Weekly crop and weather, Farm labor, Agricultural outlook; Wed, Aug. 20, Exports, catfish; Fri, Aug. 22, feed. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.



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OFF MIKE

The drought (or do you spell it drouth?) brings home once again the important role farm broadcasters play in the world of agriculture. We've received a number of indications of how farm broadcasters have played and continue to play a pivotal role in getting farmers donating commodities together with the distribution system set up to get those commodities to those who need them. Joe Jarvis (WCVL, Crawfordsville, Ind.) had telephones at both ears for nearly 10 days helping arrange for 30 truckloads of hay to be accumulated and delivered to the drought area...as well as helping to collect \$4500 to help defray truckers' fuel expenses. Ed Slusarczyk, (Ag Radio Net, Utica, NY) spearheaded a project in his area to get donors and recipients together. Dix Harper (Tobacco Radio Net, Raleigh, No. Car.) teamed with Slusarczyk, Jarvis, Lee Kline and Bob Quinn (WHO, Des Moines, Iowa), Kelly Lenz (WIBW, Topeka, Kans), and Neal Anderson (WQAD-TV, Moline, Ill.) for the same purpose...and very successfully, too. And, no doubt, there are many, many more instances we haven't heard about. We did learn by reading Doug Rubush's newsletter (WSVA, Harrisonburg, Virginia) that to date 39 states have donated hay to SE states, so someone must have been helping to get the word out and around. Our congratulations to all involved!! ... Incidentally, if you see Neal Anderson, ask him about his 15-20 minute private conversation with President Reagan at the Illinois State Fair. Neal should be back down to earth now ... Rick Neiman is no longer with Bill Ray's Agrinet Farm Net in Richmond, Virginia. He's working with Ag Way. Kelly Wayne took his place. Incidentally, Bill reports he's added 22 stations in Pennsylvania, 4 in Maryland and Delaware and 6 in Virginia for a total of 95 affiliates on his net ... Wade Wagner (KGAN-TV, Cedar Rapids, Iowa) is back from a trip to the Soviet Union (not as part of the NAFB tour, which also is back). It's his second trip there (first one in 1984) and he has a good selection of video footage of Soviet agriculture he'll dicker with you about, if you're interested.

JAMES L. JOHNSON, Chief, Radio and Television Division